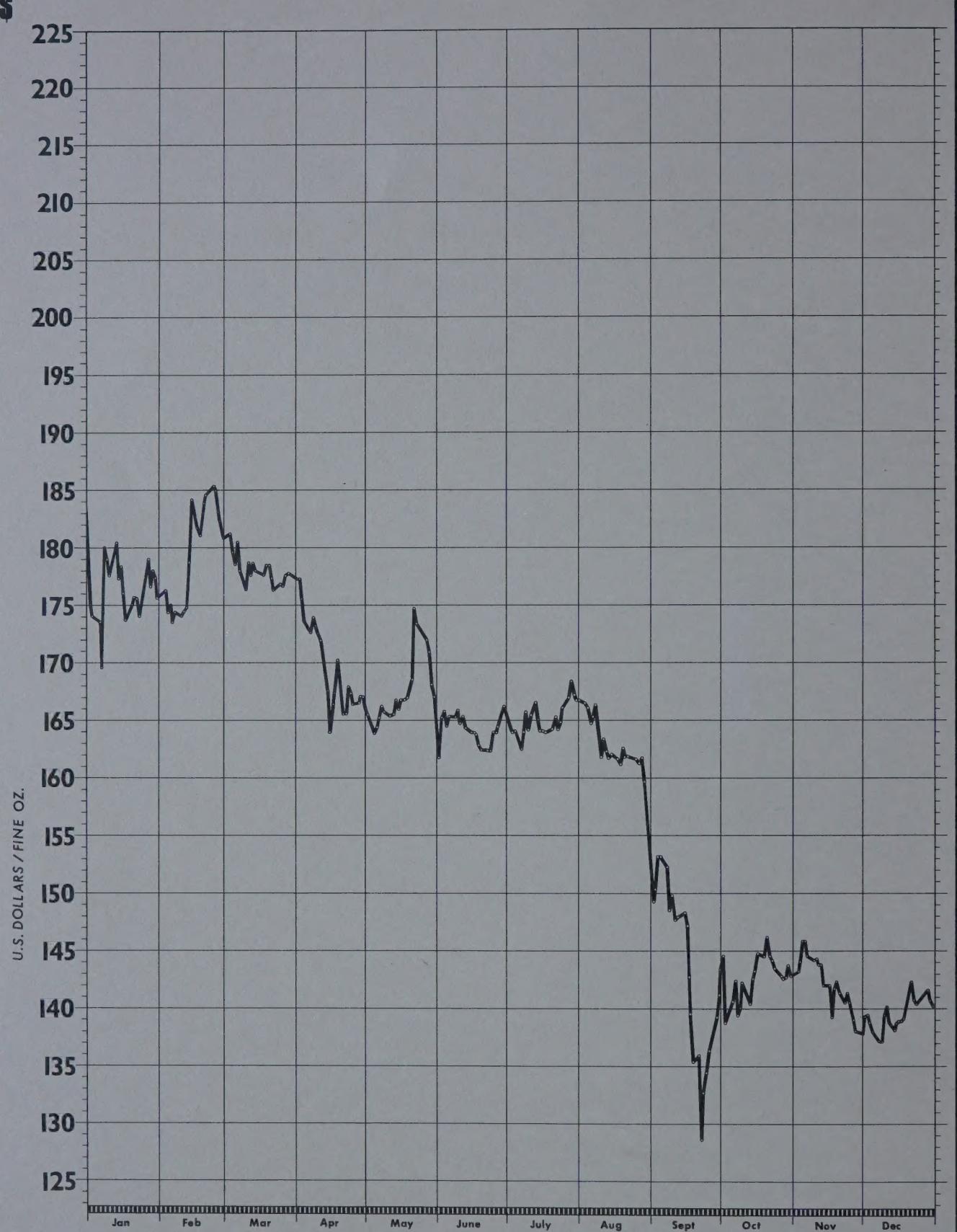


CAMPBELL RED LAKE MINES LIMITED

Report to Shareholders

For the Financial Year Ended December 31

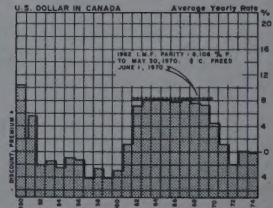
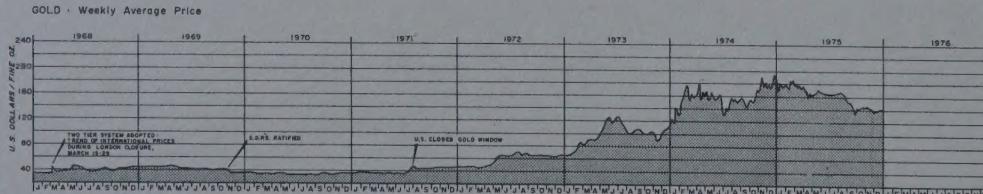
1975



LONDON ; Second FIXING
IN U.S. DOLLARS

1975 DAILY GOLD PRICE

DOME MINES LIMITED



CAMPBELL RED LAKE MINES LIMITED

Report to Shareholders

For the Financial Year Ended December 31

1975

ANNUAL MEETING OF SHAREHOLDERS

will be held
at 11:00 o'clock a.m. (Toronto time)

Monday, April 26, 1976
Library, Royal York Hotel,
TORONTO, ONTARIO

Campbell Red Lake Mines Limited

(Incorporated under the laws of Ontario)

LOCATION OF MINE

Township of Balmer, Red Lake Mining Division, Province of Ontario
(Post Office: Balmertown, Ont. P0V 1C0)

HEAD OFFICE AND ADDRESS OF THE PRESIDENT

365 Bay Street, Suite 600, Toronto, Ont. M5H 2V9

ADDRESS OF THE SECRETARY

Box 30, Toronto-Dominion Centre, Toronto, Ont. M5K 1C1

REGISTRARS

Canada Permanent Trust Company
320 Bay Street, Toronto, Ont. M5H 2P6
Bankers Trust Company, 16 Wall Street, New York, N.Y. 10015

TRANSFER AGENTS

The Sterling Trusts Corporation, 372 Bay Street, Toronto, Ont. M5H 2X2
The Bank of New York, 48 Wall Street, New York, N.Y. 10015

DIRECTORS

Clifford W. Michel	New York, N.Y.
William F. James	Toronto, Ont.
John K. McCausland	Toronto, Ont.
James B. Redpath	Toronto, Ont.
Fraser M. Fell	Toronto, Ont.

OFFICERS

Chairman of the Board	Clifford W. Michel
President	James B. Redpath
Vice-President	Malcolm A. Taschereau
Secretary	Fraser M. Fell
Assistant Secretary	John H. Hough
Treasurer	Edmund J. Andrecheck
Manager	Stewart M. Reid
General Superintendent	Allan H. Ludwig

AUDITORS

Clarkson, Gordon & Co., Toronto, Ont. M5K 1J7

GENERAL COUNSEL

Fasken & Calvin

Box 30, Toronto-Dominion Centre, Toronto, Ont. M5K 1C1

It is recorded here that it is the intention of the present management to solicit proxies. The form of proxy and the information circular will accompany the Notice of Annual Meeting which is being mailed to all shareholders.

COMPARATIVE SUMMARY

	<u>1975</u>	<u>1974</u>
Tonnage Milled	299,560	289,833
Ounces Gold Produced	185,228	197,369
Average Price realized per ounce on sales during the year	\$162.14	\$155.58
Value of Bullion	\$29,467,000	\$31,895,000
Operating Costs	\$ 8,083,000	\$ 6,443,000
Taxes (Provincial and Federal)	\$11,640,000	\$12,871,000
Net Income	\$11,366,000	\$14,092,000
Net Income per share	\$1.42	\$1.76
Current Assets	\$33,997,000	\$31,454,000
Current Liabilities	\$ 6,449,000	\$ 9,681,000
Working Capital	\$27,548,000	\$21,773,000
Number of Shareholders — December 31	6,850	6,723
Dividends Declared	\$ 4,799,000	\$ 5,999,000
Dividends declared per share	\$0.60	\$0.75
Shares Issued	7,999,000	7,999,000

REPORT OF THE DIRECTORS
of
Campbell Red Lake Mines Limited
(For the Financial Year Ended December 31, 1975)

Toronto, Ontario,
March 16, 1976.

To the Shareholders of
Campbell Red Lake Mines Limited:

Your Directors herewith submit the Company's balance sheet and statements of income, retained earnings and changes in financial position, together with the Report of the Auditors thereon and the Report of the Manager, covering the financial year ended December 31, 1975.

The gross production for 1975 was 185,228 ounces of gold, as compared with 197,369 ounces for 1974.

The operating profit before deducting tax under The Mining Tax Act, outside exploration expenses and provision for taxes on income was \$21,384,000. The non-operating revenue was \$2,152,000. These combined gave a total of \$23,536,000. Tax under The Mining Tax Act, outside exploration expenses and provision for taxes on income amounted to \$12,170,000 leaving net income of \$11,366,000 as compared to \$14,092,000 a year ago. As a result of restraints applicable to the payment of dividends under the Anti-Inflation Act and Regulations, your Company declared dividends totalling 60¢ per share in 1975 as compared to 75¢ in 1974.

The net income decreased due to a lower grade of ore produced. The average price obtained for gold sales made during the year was \$162.14 Canadian compared to \$155.58 Canadian received the previous year.

The tonnage milled during 1975 totalled 299,560 tons which represents an average milling rate of 821 tons per day. The yield per ton was 12.37 dwt. as compared with 13.62 dwt. in 1974.

Ore reserves were increased by 81,000 tons to 1,637,100 tons, with ore in place showing a grade of 13.85 dwt.

Taxes under the Federal Income Tax Act of \$5,820,000, the Ontario Corporation Tax Act of \$1,910,000 and the Ontario Mining Tax Act of \$3,910,000 total \$11,640,000. The effective rate of total taxation again increased due to changes in federal and provincial legislation enacted during 1974 and 1975, which were applicable for the full year 1975.

On October 14, 1975, the Canadian Government announced the introduction of wage and price controls which have been implemented under the Anti-Inflation Act and Regulations. Corporations such as Dome Mines and its subsidiaries which, together with their associated companies, employ more than 500 persons are subject to the Act. In management's opinion, based on present operating costs, regulations governing maximum allowable profits in the first guideline year should not adversely affect the Company. For this to occur, gold sale prices would have to increase to such an extent that operating profit per ounce exceeded that realized during the financial year 1974. The status of profit and dividend restrictions in the second year of the anti-inflation program is still unknown and it is premature at this time to assess the impact on income resulting from the imposition of wage controls.

Dome Petroleum Limited had a most satisfactory year with net income increased by 46% to an historical high of \$41,120,000. Your Company's holdings in Dome Petroleum amount to 100,000 shares.

Your Company continued to participate with the parent company, Dome Mines Limited and affiliated companies, Sigma Mines (Quebec) Limited and Dome Petroleum Limited in a mineral exploration program conducted by Dome Exploration (Canada) Limited. The exploration program was the largest to date and your Company's share in this is 21% of all projects initiated from January 1, 1969. Details of the exploration program appear on page 15 of this report.

el

CAMPBELL RED LAKE MINES LIMITED

With regard to our product, gold, the following paragraph is quoted from the annual report of the parent company, Dome Mines Limited:

"The role played by gold throughout history has been principally that of a storage of value. For many years, prior to World War I, most of the world's strong currencies were freely convertible into gold. This, in effect, gave more certain values to those currencies and provided a basis for exchange between them. Since that time various governments have attempted to diminish the use of gold as a medium of exchange and to replace it with 'paper gold' or Special Drawing Rights based on a mix of various currencies which have been devised as a gold substitute by the International Monetary Fund. During the sixty-year period following World War I, the value of non-convertible currencies has been eroded at varying rates, which appear to have accelerated following the decision of the U.S. Treasury in 1971 to no longer deliver gold against obligations to Central Banks. Following this decision, the price of the metal on world markets has risen dramatically from the U.S. fixed price of \$35 per ounce in 1971 to a high of \$197.50 per ounce on December 30, 1974. Since that date the price has fluctuated greatly but has declined gradually during 1975 to \$140 per ounce.

In the short term, upward pressure on the price of gold is exerted by monetary and political crises, which, in turn, is moderated by bulk sales and even rumours of sales. In the longer term, the price is dependent upon the success or failure of long-range monetary policies in the important world economies, of new sources of supply and will also be influenced by the trend of industrial uses. In our opinion there is little evidence of an early solution to the problem of inflation created by deficit financing in most countries and by various levels of government. If inflation continues, it may well tend to be accompanied by higher gold prices. Short term trends are more difficult to assess and their prediction is a matter of individual judgment."

Your Company suffered a great loss in the death, on March 8, 1976, of its Chairman, Mr. Clifford W. Michel. Mr. Michel had been Chairman of the Board for the past sixteen years and served as a Director for twenty-nine years. As a man of great vision, wisdom and integrity, he had few peers in the business of investment and finance and he gave unstintingly of his time and talent to the growth and development of the Company.

Mr. James B. Redpath, in addition to his duties as President of the Company, was elected Chairman of the Board on March 15, 1976.

Mr. Malcolm A. Taschereau was appointed Vice-President of your Company on December 8, 1975 and a Director on March 15, 1976. He is Senior Vice-President of Dome Mines Limited and has served for seventeen years in senior positions at Campbell and Sigma.

On April 28, 1975, Mr. Stewart M. Reid was appointed Manager of your Company. He formerly had served as General Superintendent and prior to that held senior positions at other mines in the Red Lake area.

Mr. Allan H. Ludwig, a graduate Mining Engineer with many years of underground operating experience in Western Canada, was appointed General Superintendent on December 1, 1975.

At this time, your Directors wish to record their appreciation for the effective efforts of management and staff and for the continued loyal service which all employees rendered to the Company.

Respectfully submitted,

On behalf of the Board,

JAMES B. REDPATH,
Chairman of the Board and President.

Campbell Red Lake Mines Limited

ACCOUNTING POLICIES DECEMBER 31, 1975 and 1974

The following are the principal accounting policies followed by the company:

A. Basis of accounting for affiliated company

The investment of .8% in Dome Petroleum Limited is accounted for on the equity method whereby the company's investment is carried at cost plus its share of undistributed earnings. The company's share of the net earnings is reflected currently in income. The excess of the cost of this investment over the underlying book value at the various dates of acquisition is attributable to Dome Petroleum's oil and gas reserves and is being amortized to income by reference to annual production in relation to the estimated recoverable reserves.

B. Valuation of inventories

Bullion on hand and in transit is valued at its estimated net realizable value. The method used in estimating net realizable value is:

- to value bullion sold to the date the estimate is made at actual net realized value, and
- to value unsold bullion on this date at 85% of the closing London price.

Mining and milling supplies are valued at cost determined on an average cost basis.

C. Valuation of other investments

Marketable securities and other investments with a quoted market value are valued at cost. All other investments are carried at cost except for:

- (i) shares acquired as a result of development work which are carried at nominal value (the only exception being with respect to shares of Panarctic Oils Ltd., acquired for development work which, because of underlying worth as indicated by the valuations placed on changes in ownership have, since January 1, 1973, been carried at the amount expended since that date with deferred income taxes arising as a result of writing these expenditures off for income tax purposes included as a deferred credit) and,
- (ii) certain other investments which are carried at cost less amounts written off.

D. Valuation of capital assets

- (i) Buildings, machinery and equipment are shown at cost. Mining claims, properties and townsite land are at cost less amounts written off.
- (ii) Upon sale or retirement, the cost of capital assets and the related depreciation or amortization are removed from the accounts and any gain or loss is taken into income.
- (iii) Repairs and maintenance are charged to operations; major betterments and replacements are capitalized.

E. Depreciation and amortization

- (i) Depreciation on buildings, machinery and equipment is provided at the rate of 15% per annum on the straight-line method.
- (ii) Mining claims and properties are being amortized at the rate of 15% per annum on the straight-line method.

F. Mine development and exploration expenditures

All mine development, shaft sinking, and exploration expenditures are charged against income as incurred.

G. Income and mining taxes

The company follows the tax allocation method of accounting. Under this method, timing differences between the amount of income reported for tax purposes and the amount of accounting income (which arise principally as a result of claiming depreciation and exploration at rates differing from those recorded in the accounts), result in provisions for deferred taxes and these are segregated in the deferred income and mining tax account at the year-end.

Campbell Red Lake Mines Limited

STATEMENT OF INCOME YEARS ENDED DECEMBER 31, 1975 AND 1974

	1975	1974
Bullion revenue	<u>\$29,467,000</u>	<u>\$31,895,000</u>
Operating costs:		
Development	1,184,000	831,000
Mining	3,224,000	2,533,000
Milling	1,723,000	1,481,000
Refining and marketing	236,000	181,000
General and administrative	915,000	781,000
Taxes other than income and mining	128,000	93,000
Depreciation and amortization	673,000	543,000
	8,083,000	6,443,000
Operating profit	<u>21,384,000</u>	<u>25,452,000</u>
Interest and miscellaneous income	1,847,000	1,767,000
	23,231,000	27,219,000
Outside exploration expenses	530,000	377,000
Income before taxes and equity in earnings of affiliate	<u>22,701,000</u>	<u>26,842,000</u>
Income and mining taxes (note 2):		
Federal income tax	5,820,000	6,305,000
Provincial income tax	1,910,000	2,081,000
Provincial mining tax	3,910,000	4,485,000
	11,640,000	12,871,000
Income after taxes, before equity in earnings of affiliate	11,061,000	13,971,000
Equity in earnings of affiliated company (note 3)	305,000	121,000
Net income for the year	<u>\$11,366,000</u>	<u>\$14,092,000</u>
Net income per share	<u>\$1.42</u>	<u>\$1.76</u>

STATEMENT OF RETAINED EARNINGS YEARS ENDED DECEMBER 31, 1975 AND 1974

	1975	1974
Balance, beginning of the year	<u>\$26,087,000</u>	<u>\$17,994,000</u>
Add net income for the year	11,366,000	14,092,000
	37,453,000	32,086,000
Deduct dividends (1975 — \$0.60 per share; 1974 — \$0.75 per share)	4,799,000	5,999,000
Balance, end of the year	<u>\$32,654,000</u>	<u>\$26,087,000</u>

(See accompanying notes to financial statements)

C A M P B E L L R E D L A

(Incorporated un

BALANCE SHEET DEC

A S S E T S

	<u>1975</u>	<u>1974</u>
Current assets:		
Cash, including bank term deposits	\$ 9,612,000	\$ 8,592,000
Bullion (note 4)	4,172,000	5,709,000
Short-term commercial paper, at cost	16,480,000	13,814,000
Marketable securities (schedule attached)	1,587,000	1,389,000
Sundry receivables	590,000	591,000
Mining and milling supplies	1,556,000	1,359,000
	<u>33,997,000</u>	<u>31,454,000</u>
 Investments (schedule attached — note 3)	 <u>3,737,000</u>	 <u>3,275,000</u>
 Capital assets:		
Buildings, machinery and equipment	11,019,000	9,992,000
Less accumulated depreciation	7,886,000	7,334,000
	<u>3,133,000</u>	<u>2,658,000</u>
Mining claims and properties	176,000	218,000
Towns site land	93,000	102,000
	<u>3,402,000</u>	<u>2,978,000</u>
	 <u>\$41,136,000</u>	 <u>\$37,707,000</u>

(See accompanying n

AUDITO

To the Shareholders of
Campbell Red Lake Mines Limited:

We have examined the balance sheet of Campbell Red Lake Mines Limited as at December 31, 1975 and 1974 and the statements of income, retained earnings and changes in financial position for the years then ended. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances.

K E M I N E S L I M I T E D
 (laws of Ontario)

MBER 31, 1975 AND 1974

LIABILITIES

	1975	1974
Current liabilities:		
Salaries and wages payable	\$ 198,000	\$ 162,000
Accounts payable	549,000	502,000
Accrued charges	202,000	140,000
Accrued taxes (note 2)	4,300,000	5,878,000
Dividends payable	1,200,000	2,999,000
	<u>6,449,000</u>	<u>9,681,000</u>
Deferred income taxes	<u>412,000</u>	<u>318,000</u>
Shareholders' equity:		
Capital –		
Authorized:		
8,000,000 shares of 50c each.		
Issued:		
7,999,000 shares	4,000,000	4,000,000
Discount (net) on shares issued	2,379,000	2,379,000
	<u>1,621,000</u>	<u>1,621,000</u>
Retained earnings	<u>32,654,000</u>	<u>26,087,000</u>
	<u>34,275,000</u>	<u>27,708,000</u>
On behalf of the Board:		
J. B. REDPATH, Director		
F. M. FELL, Director	<u>\$41,136,000</u>	<u>\$37,707,000</u>

financial statements)

EPORT

In our opinion these financial statements present fairly the financial position of Campbell Red Lake Mines Limited as at December 31, 1975 and 1974 and the results of its operations and the changes in its financial position for the years then ended, in accordance with generally accepted accounting principles applied on a consistent basis during the period.

Toronto, Canada,
 February 17, 1976.

CLARKSON, GORDON & CO.,
 Chartered Accountants.

Campbell Red Lake Mines Limited

STATEMENT OF CHANGES IN FINANCIAL POSITION YEARS ENDED DECEMBER 31, 1975 AND 1974

	<u>1975</u>	<u>1974</u>
Source of working capital:		
Operations –		
Net income for the year	\$11,366,000	\$14,092,000
Items not affecting working capital:		
Depreciation and amortization	673,000	543,000
Increase in deferred income taxes	94,000	20,000
Equity in undistributed earnings of affiliated company (note 3) ..	(305,000)	(121,000)
Total	<u>11,828,000</u>	<u>14,534,000</u>
Disposition of working capital:		
Dividends	4,799,000	5,999,000
Expenditures on capital assets (net)	1,085,000	805,000
Purchase of shares in affiliated company		768,000
Increase in other investments	157,000	102,000
Purchase of mining claims and property		82,000
Additions to townsite land (net)	12,000	14,000
Total	<u>6,053,000</u>	<u>7,770,000</u>
Net increase in working capital for the year	<u>\$ 5,775,000</u>	<u>\$ 6,764,000</u>
Changes in components of working capital:		
Increase (decrease) in current assets –		
Cash and bank term deposits	\$ 1,020,000	\$ 5,003,000
Bullion	(1,537,000)	2,621,000
Short-term commercial paper	2,666,000	4,604,000
Marketable securities	198,000	(349,000)
Sundry receivables	(1,000)	302,000
Mining and milling supplies	197,000	520,000
	<u>2,543,000</u>	<u>12,701,000</u>
Increase (decrease) in current liabilities –		
Salaries and wages payable	36,000	27,000
Accounts payable	47,000	141,000
Accrued charges	62,000	47,000
Accrued taxes	(1,578,000)	3,823,000
Dividends payable	(1,799,000)	1,899,000
	<u>(3,232,000)</u>	<u>5,937,000</u>
Net increase in working capital for the year	<u>5,775,000</u>	<u>6,764,000</u>
Working capital, beginning of the year	<u>21,773,000</u>	<u>15,009,000</u>
Working capital, end of the year	<u>\$27,548,000</u>	<u>\$21,773,000</u>

(See accompanying notes to financial statements)

Campbell Red Lake Mines Limited

SCHEDULE OF MARKETABLE SECURITIES AND OTHER INVESTMENTS DECEMBER 31, 1975 AND 1974

	1975		1974	
	Book value	Market value	Book value	Market value
Marketable securities:				
Government and government guaranteed				
short-term securities	\$1,087,000	\$1,081,000	\$ 889,000	\$ 918,000
Corporate bonds	500,000	478,000	500,000	470,000
	<u>\$1,587,000</u>	<u>\$1,559,000</u>	<u>\$1,389,000</u>	<u>\$1,388,000</u>
Other investments:				
With a quoted market value —				
Dome Petroleum Limited				
(affiliated company)				
Shares (1975 — 100,000; 1974 — 100,000)	\$3,271,000	\$3,425,000	\$2,966,000	\$1,762,000
With no quoted market value —				
Panarctic Oils Ltd.				
Common shares, no par value (1975 — 155,509; 1974 — 149,433)	271,000	155,000		
Sundry	195,000	154,000		
	<u>\$3,737,000</u>	<u>\$3,275,000</u>		

(See accompanying notes to financial statements)

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 1975 AND 1974

1. Accounting policies

The principal accounting policies followed by the company are summarized under the caption "Accounting Policies".

2. Income and mining taxes

(a) The provision for income and mining taxes consists of:

	1975		1974	
	Current	Deferred	Current	Deferred
Federal income tax	\$ 5,750,000	\$70,000	\$ 6,290,000	\$15,000
Provincial income tax	1,886,000	24,000	2,076,000	5,000
Provincial mining tax	3,910,000		4,485,000	
	<u>\$11,546,000</u>	<u>\$94,000</u>	<u>\$12,851,000</u>	<u>\$20,000</u>

(b) Income and mining taxes for 1975 are provided at a combined federal and provincial effective rate of 51.3%, an increase of 3.3% over 1974.

CAMPBELL RED LAKE MINES LIMITED

The difference between the combined federal and provincial basic statutory rate and that used in calculating the provision for income and mining taxes is made up as follows:

	1975	1974
Income taxes:		
Basic statutory rate (combined)	52.0%	50.0%
Less: Federal depletion (other than earned)		5.3
Federal "earned depletion" .....	.1	.7
Provincial depletion	3.7	2.7
Mining tax		2.4
Resource tax abatement	13.5	7.8
Sundry .....	.6	(.2)
	<u>17.9</u>	<u>18.7</u>
Effective rate	34.1	31.3
Mining taxes:		
Average rate	17.2	16.7
Total income and mining tax rate used	<u>51.3%</u>	<u>48.0%</u>

3. Summary of investment in Dome Petroleum

	1975	1974
Cost of acquisition	\$2,768,000	\$2,768,000
Equity in undistributed earnings	503,000	198,000
	<u>\$3,271,000</u>	<u>\$2,966,000</u>
Market value (which is not necessarily indicative of realizable value)	<u>\$3,425,000</u>	<u>\$1,762,000</u>
Number of shares	<u>100,000</u>	<u>100,000</u>

The unamortized excess of cost of investment over the underlying book value at the various dates of acquisition was: 1975 – \$1,648,000; 1974 – \$1,708,000.

4. Bullion

Bullion on hand and in transit is valued at the net estimated realizable value at the year end. (1975 – \$130 per ounce; 1974 – \$168 per ounce.)

5. Remuneration of directors and officers

The total remuneration paid in respect of 1975 by the company to its directors and senior officers (defined by The Business Corporations Act, Ontario, 1970 to include the five highest paid employees) amounted to \$159,000 (1974 – \$141,000).

6. Anti-Inflation Program

Effective October 14, 1975 the federal government passed the Anti-Inflation Act and subsequently issued Regulations which are presently scheduled to be in force until December 31, 1978. Under this legislation Campbell Red Lake Mines is subject to mandatory compliance with controls on profit margins, employee compensation and shareholder dividends. Dividends to the company's common shareholders during the year ending October 13, 1976 may not exceed \$0.75 per share.

Campbell Red Lake Mines Limited

REPORT OF THE MANAGER

To the Chairman of the Board, President and Directors:

The following report covering the operations of your Company during the year 1975 is submitted for your consideration.

During the year 316,616 tons were hoisted, of which 299,560 tons were ore and 17,056 tons were waste.

The 299,560 tons of ore milled yielded bullion containing 185,228 ounces of gold, the average yield being 0.618 ounces per ton or 12.37 pennyweights per ton. All grades of ore will be expressed in pennyweights (dwt.) throughout this report. One pennyweight equals one-twentieth (1/20th) of an ounce Troy weight. As in the past, all production was sold on the free market, settlement being made in equivalent Canadian funds at prevailing exchange rates. Free market prices are by direct negotiation between buyer and seller. The price received on all sales during the year averaged \$162.14 Canadian per ounce.

MINING:

In all, 273,503 tons of a grade of 13.91 dwt. were drawn from the stopes and sent to the mill.

Broken ore totalling 110,500 tons remains in the stopes, an increase of 1,500 tons from the previous year.

The main stoping operations were above the 15th or 2,200-foot level. Ore removed by cut-and-fill mining was 30% of the total ore mined.

DEVELOPMENT:

Development was distributed from the 2nd level to the 21st level. Of this work 44% was drifting and raising in known ore zones.

Diamond drilling totalling 18,531 feet was done as a guide to development and mining.

The following table shows details of development and diamond drilling completed during the year.

SUMMARY OF DEVELOPMENT FOOTAGE BY LEVELS FOR YEAR 1975

Level	Drifts	Crosscuts	Raises	Slabbing	Total	Diamond Drilling
2nd	764	.....	.....	63	827	735
3rd	172	.....	.....	68	240	595
4th	35	.....	.....	11	46	1,775
5th	98	74	.....	76	248	2,018
6th	71	.....	256	102	429	3,434
7th	428	.....	348	207	983	1,096
8th .....	.....	.....	.....	22	22	1,181
9th .....	.....	.....	.....	37	37	.....
10th	59	.....	206	19	284	683
11th	483	.....	139	111	733	205
12th	123	.....	382	61	566	1,264
13th	43	82	.....	33	158	472
14th .....	.....	.....	.....	34	34	.....
15th .....	.....	.....	.....	27	27	827
16th	71	4	182	53	310	347
17th	498	191	.....	65	754	721
18th	70	.....	183	82	335	.....
19th	965	.....	186	218	1,369	1,859
20th	250	.....	.....	22	272	.....
21st	1,451	506	99	274	2,330	1,319
23rd .....	.....	.....	.....	10	10	.....
TOTALS	5,581	857	1,981	1,595	10,014	18,531

ORE PRODUCTION:

The mine produced 299,560 tons of ore during the year which averaged 13.43 dwt. The stopes produced 273,503 tons averaging 13.91 dwt. and development produced 26,057 tons averaging 8.37 dwt.

CAMPBELL RED LAKE MINES LIMITED

ORE RESERVES:

The ore reserves are estimated at 1,637,100 tons, an increase of 81,000 tons over the previous year. The ore reserves include 110,500 tons of broken ore.

A summary of the distribution of ore in place, broken ore and total ore extracted from stopes to the end of 1975 is as follows:

SUMMARY OF ORE RESERVES AND EXTRACTION BY LEVELS

	Tons Ore in Place	Average Grade (dwt. per ton)	Tons Broken Ore	Total Tons Ore Extracted From Stopes to End of 1975
Surface to 1st Level	1,600	10.69	.....	260,004
1st Level to 2nd Level	4,500	10.69	300	348,094
2nd Level to 3rd Level	8,400	11.66	300	405,835
3rd Level to 4th Level	17,700	11.95	5,000	528,304
4th Level to 5th Level	29,400	13.33	11,500	544,297
5th Level to 6th Level	60,400	15.51	5,200	515,078
6th Level to 7th Level	42,900	12.09	18,800	670,342
7th Level to 8th Level	40,000	12.18	7,800	705,664
8th Level to 9th Level	37,500	14.26	800	506,191
9th Level to 10th Level	72,300	18.65	11,400	377,383
10th Level to 11th Level	112,800	16.07	34,800	146,179
11th Level to 12th Level	129,300	15.39	800	148,734
12th Level to 13th Level	175,300	14.42	800	116,015
13th Level to 14th Level	176,900	14.55	1,200	180,056
14th Level to 15th Level	185,400	14.00	8,200	101,975
15th Level to 16th Level	166,500	14.24	400	7,544
16th Level to 17th Level	87,200	10.17	.....	4,096
17th Level to 18th Level	64,000	10.07	1,300	7,376
18th Level to 19th Level	46,700	10.26	1,700	5,796
19th Level to 20th Level	41,400	9.72	200	4,697
20th Level to 21st Level	26,400	10.24	.....	.....
	1,526,600	13.85	110,500	5,583,660
Ore in Place	1,526,600			299
Broken Ore	110,500			.92
	1,637,100			598

Increase over 1974 is 81,000 Tons.

299
.92
598
291
7508

MILL:

The following are the results of milling operations:

Tons of ore treated	299,560
Average tons per calendar day	821 tons
Average grade of ore treated	13.43 dwt. per ton
Recovery	12.37 dwt. per ton
Recovery percentage	92.11%

COSTS:

The expenditure on mining was \$3,224,000 or \$10.76 per ton milled.

The expenditure on development (excluding ore and waste passes and crusher station) was \$1,148,000 or \$3.83 per ton milled.

Operating costs (excluding depreciation and amortization) were \$24.74 per ton milled.

CAPITAL EXPENDITURES:

Net capital expenditures for the year were \$1,085,000. This amount includes employee dwellings, new curling rink, new mill equipment, additions to mill dry and surface dry, new truck for Maintenance Department, underground loaders, slushers and rock-drills.

CAMPBELL RED LAKE MINES LIMITED

The details of changes in plant buildings and equipment are as follows:

Additions:

Mine equipment	\$ 79,000
Mill buildings and equipment	260,000
Surface buildings and equipment	746,000
Total	<u>\$1,085,000</u>

EXPLORATION:

Campbell Red Lake Mines Limited continued participation in the exploration program conducted by the parent company, Dome Mines Limited, and maintained its 30% interest in those projects which commenced prior to January 1, 1969 and its 21% interest in those which commenced after this date.

Highlights of the 1975 program are summarized below.

Quebec:

Detailed exploration on thirty-three major projects involving extensive ground geophysical surveys and 97 drill holes.
An airborne radiometric survey and the subsequent staking of 468 claims to cover radioactive indications.
Participation, with an outside partner, in a thirty-two square mile exploration permit in New Quebec near which there are known copper and uranium prospects.
Several new projects upon which detailed exploration will be carried out in 1976.

Ontario:

Three drilling programs, geophysical surveys on five projects, staking on two projects and an airborne geophysical survey of a promising area.
A drilling program which started in 1974 and was completed in 1975, and the beginning of two drill programs on a gold prospect and a base metal prospect.
Staking of sixty-two claims in an area of interest where copper-zinc showings are known to occur, but which has never been thoroughly explored.
An airborne geophysical survey covering 1,100 line miles in a geologically-favourable area where a number of anomalies were found and staked. Ground geophysical surveys were started on these and drilling will be carried out in 1976.
Detailed exploration of a gold prospect discovered in previous years.

Manitoba:

A joint venture with the Government of Manitoba in the drilling of fourteen holes on a gold prospect.
An airborne radiometric survey totalling 840 line miles. This survey led to the staking of three claim groups to cover radioactive indications.

Northwest Territories:

A small claim block staked in 1974 in the Barren Lands was optioned to another company.

Western Canada:

Participation, with outside partners, in three joint ventures in British Columbia. Two exploration projects in British Columbia. Participation, with outside partners, in two joint ventures in the Yukon.

Alaska:

Participation with outside partners, in a continuing exploration program in Alaska. This will continue in 1976, along with detailed work on two prospects.

General:

Participation in an international consortium to investigate methods of recovering metal-bearing nodules from the deep-ocean floor.

Mining operations on the property of Clinton Copper Mines Ltd. (Dome Group, excluding Dome Petroleum, approximately 39%) were terminated during the year as was forecast in the 1974 Annual Report. At year-end, some concentrate remained unsold. Copper prices during the year were even lower than had been anticipated in 1974.

Exploration was started on the optioned property of Lennie Red Lake Gold Mines Limited, an adjacent optioned claim group and in addition on a group staked by Campbell. Under the agreement with Dome and subsidiary companies, as these properties are contiguous and adjacent to Campbell, this exploration is solely for Campbell's account.

CAMPBELL RED LAKE MINES LIMITED

GENERAL:

The daily milling rate was increased to 821 tons per day and stope grade reduced to 13.43 dwt. per ton. There has been a shortage of experienced miners looking for work but general labour is in good supply. The drop in overall grade was designed to take advantage of the higher prices paid for gold and to investigate, evaluate, develop and mine some lower grade areas of the upper levels in order to retreat in a controlled manner.

All development work was concentrated above the 21st level with 27% of this between the 2nd and 7th levels.

Ore reserves show a modest increase over the previous year.

Four more employees were inducted into our Quarter Century Club bringing total membership to fifteen.

Unit operating costs increased 21.6% due to substantial wage increases and ever increasing costs of operating materials.

Appended to this report is a table setting forth the communities in which purchases were made, wages and salaries paid, and distribution of taxes.

In conclusion, I wish to record my sincere appreciation to the heads of the operating departments and to all members of the staff for their co-operation, efficiency and loyalty.

Respectfully submitted,

Balmertown, Ontario,
February 23, 1976.

STEWART M. REID,
Manager.

LIST OF EXPENDITURES OF THE COMPANY AND THE LOCATION OF THE VARIOUS SUPPLIERS

Total supplies and services	\$6,457,000
Total amount of wages and salaries	4,225,000
Income taxes	7,730,000
Mining taxes	3,910,000
Other taxes (Provincial and Municipal)	128,000

PRINCIPAL CITIES AND TOWNS IN CANADA WHICH BENEFIT

Agincourt	Ear Falls	Niagara Falls	Souris
Atikokan	Edmonton	North Bay	Sudbury
Ayer's Cliff	Gananoque	Oakville	Thornbury
Balmertown	Guelph	Orillia	Thornhill
Belleville	Haileybury	Oshawa	Thunder Bay
Brampton	Hamilton	Ottawa	Toronto
Burlington	Kenora	Pointe Claire	Trenton
Calgary	Kitchener	Preston	Vancouver
Cambridge	Kirkland Lake	Red Lake	Vermilion Bay
Cochenour	Lachine	Rexdale	Waterloo
Don Mills	Lakefield	Sault Ste. Marie	West Hill
Dorval	Mississauga	Scarborough	Weston
Downsview	Montreal	St. Catharines	Willowdale
Dryden	New Liskeard	St. Thomas	Winnipeg

NUMBER OF COMMUNITIES, COMPANIES AND INDIVIDUALS THROUGH WHOM SUPPLIES AND SERVICES ARE PURCHASED

	Communities	Companies and Individuals
British Columbia	1	4
Manitoba	2	70
Ontario	47	171
Quebec	4	20
Alberta	2	5
United States of America	7	8
	63	278

CAMPBELL RED LAKE MINES LIMITED

FIVE-YEAR REVIEW

	1975	1974	1973	1972	1971
Production:					
Tons milled (in thousands)	300	290	304	303	303
Fine ounces (in thousands)	185	197	196	197	196
Recovery value per ton	\$ 98.37	\$ 110.05	\$ 65.41	\$ 38.31	\$ 27.21
Number of employees at year-end	315	313	306	292	295
Financial (in thousands; except per share):					
Bullion revenue	\$ 29,467	\$ 31,895	\$ 19,871	\$ 11,596	\$ 8,245
Operating expenses	8,083	6,443	5,593	4,374	4,077
Operating profit	21,384	25,452	14,278	7,222	4,168
Interest income from affiliate			42	100	100
Other income	1,847	1,767	790	533	427
	23,231	27,219	15,110	7,855	4,695
Deduct outside exploration expenses	530	377	344	273	205
	22,701	26,842	14,766	7,582	4,490
Provision for taxes**	11,640	12,871	5,935	2,915	1,773
	11,061	13,971	8,831	4,667	2,717
Equity in earnings of affiliate	305	121	77		
Net income	\$ 11,366	\$ 14,092	\$ 8,908	\$ 4,667	\$ 2,717
Dividends declared	\$ 4,799	\$ 5,999	\$ 3,000	\$ 2,250	\$ 1,800
Per Share:*					
Net income	\$ 1.42	\$ 1.76	\$ 1.11	\$ 0.58	\$ 0.34
Dividends	\$ 0.60	\$ 0.75	\$ 0.38	\$ 0.28	\$ 0.22
Working capital at year-end	\$ 27,548	\$ 21,773	\$ 15,009	\$ 10,035	\$ 7,936
Total shareholders' equity at year-end	\$ 34,275	\$ 27,708	\$ 19,615	\$ 13,707	\$ 11,289
Total assets at year-end	\$ 41,136	\$ 37,707	\$ 23,657	\$ 16,265	\$ 12,983
Number of shareholders at year-end	6,850	6,723	5,919	5,411	5,669

* Restated to effect the 2 for 1 stock split May 10, 1974.

** Provision for taxes has been restated to include provincial mining taxes previously included in operating expenses.

CAMPBELL RED LAKE MINES LIMITED

MANAGEMENT'S DISCUSSION AND ANALYSIS OF THE FIVE-YEAR REVIEW

As was stated in the Company's 1974 Annual Report "The year 1971 was eventful for gold. In the free market its price trended upward from the \$37-38 per ounce range early in the year to nearly \$44 by mid-August when the United States closed its 'gold window', suspending the convertibility of dollar claims into gold at \$35 per ounce." In May, 1972 the U.S. Congress passed legislation which raised the official price to \$38 but did not restore the convertibility. The official price was again changed in February, 1973 to \$42.22 per ounce. These moves did little to restore public confidence in the dollar and the price of gold on the free markets of the world continued to escalate, reaching an all-time high of \$197.50 per ounce on the London Exchange the morning of December 30, 1974. Since that date, attempts to stabilize major world currencies have met with partial success and these, coupled with the strengthening of the U.S. economy, sales of gold from the official U.S. reserves and planned sales from reserves of the International Monetary Fund, have been reflected in a decline in the free market price of gold. During the last quarter of 1975 the London price averaged approximately \$140 (U.S.) per ounce.

From 1971 to 1974 inclusive, production remained fairly constant and the dramatic increases in bullion revenue paralleled increases in free market gold prices. In 1975 production decreased to 185,000 ounces from 197,000 ounces the previous year as a result of the coming-on-stream of planned lower grade ore made economical by the higher prices for gold. Thus, though the average price received on all gold sales in 1975 was marginally higher at \$162.14 per ounce compared with the \$155.58 per ounce received in 1974, bullion revenue decreased by 7.6% to \$29,467,000.

Operating costs during the five-year period escalated at an unprecedented rate, rising nearly 100% from \$4,077,000 in 1971 to \$8,083,000 in 1975. Substantial wage and salary increases, necessary to retain competent staff, were implemented and these were accompanied by similar increases in the costs of all supplies and services.

Income and mining taxes increased proportionate to the increase in earnings from 1971 to 1973. However, changes in both federal and provincial legislation in 1974 resulted in significantly higher effective rates of taxation.

The combined effects of the above were not enough to offset the higher income from sales of gold bullion and net income increased by more than 5 times between 1971 and 1974 before declining in 1975 to \$11,366,000, still 4 times larger than the \$2,717,000 earned in 1971. Net income in each of the four years, 1972-1975 inclusive, was higher than in any other year in the history of the Company.

On October 14, 1975, the Canadian Government announced the introduction of wage and price controls which have been implemented under the Anti-Inflation Act and Regulations. In Management's opinion, the regulations governing maximum allowable profits will not adversely affect the company unless substantially higher gold prices were to result in higher profits per ounce than were realized during the financial year ended December 31, 1974. However, as a result of restraints applicable to the payment of dividends, total dividends declared by the Company during the year 1975 were limited to 60¢ per share as compared to 75¢ per share in 1974.

The Company has complied with or is in the process of complying with environmental requirements applicable to its respective mining operations. In 1974, the Company installed a roasterstack effluent treatment plant consisting of an electrolytic precipitator and bag filter installation with the primary objective of eliminating contamination of the environment and a secondary objective of increasing gold recovery. Management considers the plant, which had an installed cost of \$1,082,000, to have satisfactorily met both objectives.

A wide range of prospecting and exploration programs are carried out by Dome Exploration (Canada) Limited, a wholly-owned subsidiary of Dome Mines, on behalf of Dome Mines as to 40%, Dome Petroleum as to 33%, the Company as to 21% and Sigma as to 6%, under an agreement between those parties dated January 1, 1969. The Company's expenditures in this regard have increased from \$205,000 in 1971 to \$530,000 in 1975. In addition, the Company participates directly in Panarctic Oils Ltd., a consortium of the Government of Canada and a group of petroleum and mining companies engaged in the search for oil and gas in the Canadian Arctic. To the end of 1975, the total expenditure amounted to \$568,713 for a 0.39% participation in the venture.

CAMPBELL RED LAKE MINES LIMITED

Directors and Executive Officers

The name and office held in the Company, principal occupation or employment, and principal business affiliation of each director and executive officer of the Company is as follows:

Name and Office in Company	Principal Occupation/or Employment	Principal Business Affiliation
CLIFFORD W. MICHEL, Chairman of the Board, and a Director	Investment Broker	General Partner, Kuhn, Loeb & Co., Members New York Stock Exchange Inc., New York, U.S.A.
WILLIAM F. JAMES, Director	✓ Consulting Geologist	Partner, James & Buffam, Consulting Geologists, Toronto, Canada.
JOHN K. McCausland, Director	✓ Investment Broker (Retired)	Formerly Vice-President and Director, Wood Gundy Limited, Investment Dealers, Toronto, Canada.
JAMES B. REDPATH, President and a Director	✓ Mining Executive	President, Dome Mines Limited and subsidiary companies, Toronto, Canada.
MALCOLM A. TASCHEREAU, Vice-President	✓ Mining Executive	Senior Vice-President, Dome Mines Limited and Vice-President, Sigma Mines (Quebec) Limited, Toronto, Canada.
FRASER M. FELL, Q.C., Secretary and a Director	✓ Solicitor	Partner, Fasken & Calvin, Barristers & Solicitors, Toronto, Canada.
EDMUND J. ANDRECHECK, Treasurer	Accountant	Assistant Treasurer, Dome Mines Limited and Treasurer subsidiary companies, Toronto, Canada.

Principal Markets for Company's Shares

The New York Stock Exchange and The Toronto Stock Exchange are the principal markets in which the Company's shares are traded. Shown below are the high and low sales prices for the Company's shares on these exchanges for the periods indicated. As the Company's shares were split 2 for 1 on May 10, 1974, the share prices prior to this date have been restated accordingly:

New York Stock Exchange	1975		1974	
	High	Low	High	Low
United States Dollars				
First Quarter	36 $\frac{3}{4}$	28 $\frac{1}{8}$	48	37 $\frac{1}{4}$
Second Quarter	34 $\frac{1}{8}$	26 $\frac{1}{4}$	48 $\frac{1}{8}$	29 $\frac{3}{8}$
Third Quarter	32 $\frac{3}{4}$	19 $\frac{3}{4}$	47 $\frac{1}{8}$	19 $\frac{3}{8}$
Fourth Quarter	24 $\frac{1}{8}$	17 $\frac{1}{2}$	43 $\frac{1}{2}$	27 $\frac{1}{2}$

Toronto Stock Exchange	1975		1974	
	High	Low	High	Low
Canadian dollars				
First Quarter	36 $\frac{1}{2}$	28	48	35 $\frac{3}{4}$
Second Quarter	35	27 $\frac{1}{4}$	48	28 $\frac{1}{2}$
Third Quarter	33	20 $\frac{1}{2}$	46	19 $\frac{3}{4}$
Fourth Quarter	24 $\frac{1}{2}$	17 $\frac{1}{8}$	38 $\frac{1}{2}$	27 $\frac{1}{2}$

CAMPBELL RED LAKE MINES LIMITED

Dividends Paid (Canadian dollars)

The dividends declared on the Company's shares for each quarterly period during 1974 and 1975 are shown below and these figures have been restated for the periods prior to the May 10, 1974 split of the shares on a 2 for 1 basis.

	1975			1974		
	Declared per share			Declared per share		
	Regular	Extra	Total	Regular	Extra	Total
First Quarter	\$0.15	\$ —	\$0.15	\$0.06 $\frac{1}{4}$	\$0.03 $\frac{3}{4}$	\$0.10
Second Quarter	0.15	—	0.15	0.12 $\frac{1}{2}$	—	0.12 $\frac{1}{2}$
Third Quarter	0.15	—	0.15	0.15	—	0.15
Fourth Quarter	0.15	—	0.15	0.15	0.22 $\frac{1}{2}$	0.37 $\frac{1}{2}$
Total for Year	<u>\$0.60</u>	<u>\$ —</u>	<u>\$0.60</u>	<u>\0.48\frac{3}{4}$</u>	<u>\0.26\frac{1}{4}$</u>	<u>\$0.75</u>

Annual Report on Form 10-K

Copies of the Company's form 10-K Annual Report to the United States Securities and Exchange Commission are available to shareholders without charge by writing to Fraser M. Fell, secretary of the Company, P.O. Box 30, Toronto-Dominion Centre, Toronto, Ontario, Canada M5K 1C1.

